



RM OF LUMSDEN No. 189

POLICY

Title: **General Accounts Receivable – Overdue Interest**

Effective: September 3, 2020

Policy Statement:

The Rural Municipality of Lumsden No. 189 will charge 2% on overdue general accounts receivable as follows:

- A statement indicating the outstanding amount will be issued in the month following the date of the invoice;
- If the balance is not paid by the 1st day of the month following the issuance of the statement, a 2% compounding interest charge will be added monthly.

Example:

Invoice dated January 15 is outstanding on February 1.

A statement is processed on February 1.

On March 1, the invoice is not paid.

On March 1, and each month following, 2% interest is charged on the account and a statement is issued.

Purpose:

To reclaim the costs associated with collecting aging accounts.